



Prince Edward Island Marketing Council

ANNUAL REPORT

2011

For the year ended December 31, 2011

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LETTER TO THE MINISTER

February 14, 2012

The Honourable George Webster,
Deputy Premier & Minister of Agriculture and Forestry

It is indeed a pleasure to submit Marketing Council's Annual Report to you for the year ended December 31, 2011 as required under subsection 2(11) of the *Natural Products Marketing Act*.

The report also contains brief summaries on the structures and activities of active commodity boards, commodity groups and the Natural Products Appeals Tribunal created under the *Act*.

Additional copies of the report are provided so you can transmit the report to the Legislative Assembly during the next session as required under subsection 2(11.1) of the *Act*.

Council activities during the past year were again relatively low because most boards have now been established for many years and they are very well managed. In addition, there was little interest from primary producers interested in exploring the creation of new commodity boards or groups.

The three supply managed commodity boards, dairy, eggs and poultry, continue to operate under regional and national agreements which do not require a high degree of Council oversight.

We are pleased to report that at the end of the year all Council members are fully versed on the *Act* and regulations that govern organizations created under the *Act*, and on the important issues facing these organizations. In our opinion, Council is carrying out its supervisory and other responsibilities in a timely and efficient manner.

Respectfully submitted on behalf of Marketing Council,

Gordon MacBeath, Chair
Allister Veinot, Vice-Chair
Michael Carmichael, Member
Jean Clark, Member
Derwin Clow, Member
Guy Cudmore, Member
John Sullivan, Member
Layton Wallace, Member

MARKETING COUNCIL

2011 ANNUAL REPORT

Introduction

Pursuant to section 2(11) of the *Natural Products Marketing Act, R.S.P.E.I. 1988 Cap. N-3*, each year Marketing Council is required to present a report on Council's activities to the Minister responsible for the *Act*.

The *Act* also requires that a copy of the report be transmitted to the Legislative Assembly when in session or within fifteen days of the commencement of the next regular session of the Legislative Assembly.

The following report highlights activities of Marketing Council and the Appeals Tribunal for the period from January 1, 2011 to December 31, 2011, important events that have occurred since that date, and Activity Reports of commodity boards, marketing commissions and commodity groups formed under the *Act*.

Several years ago, Marketing Council completed a Strategic Plan which it continues to use to guide its focus and activities. The Plan contains the following Mission Statement and Vision.

Mission Statement

Acting on behalf of the people of Prince Edward Island, Marketing Council supervises the creation and operation of producer boards, commissions and groups that regulate and control the production, sale, processing, marketing, transportation and pricing of natural products.

Vision

The Prince Edward Island Marketing Council is a forward-thinking, pro-active, efficient and accountable public agency that oversees orderly systems for the production and marketing of natural products.

Corporate Governance

Authority - The Prince Edward Island Marketing Council is a statutory body established pursuant to section 2 of the *Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3*. Under the *Act*, Council has very broad and far reaching powers, some of which include:

General Powers – Council may exercise such powers and perform such functions as are vested in it by the Lieutenant Governor in Council, and shall recommend to the Lieutenant Governor in Council the establishment, amendment and revocation of plans for the marketing of natural products and the constitution and powers of commodity boards or of marketing commissions to administer such plans.

Supervisory Responsibilities – Council is responsible for the general supervision of commodity boards, marketing commissions and commodity groups established under the *Act*.

Specific Powers Re Milk – In 2009 Council's powers to establish the producer price of Class 1 milk and to fix bulk milk transportation rates were removed from the *Act*. Council retained the power to establish minimum wholesale and home delivery Class 1 milk product prices.

On August 1, 2009, Dairy Farmers of Prince Edward Island assumed responsibility for establishing producer Class 1 milk prices and fixing bulk milk transportation rates under its Regulations.

In October 2010, at the request of dairy industry stakeholders, Dairy Farmers of Prince Edward Island established minimum wholesale and minimum home delivery prices of Class 1 milk products under the Dairy Farmers of Prince Edward Island Regulations. At industry's request, Marketing Council revoked its Class 1 milk products pricing order effective October 15, 2010.

Council is currently consulting with dairy industry stakeholders to determine whether there is support for removing Council's power to establish minimum wholesale and home delivery Class 1 milk product prices from the *Act*.

Composition – Under subsection 2(1) of the *Act*, Council shall consist of not less than three persons and not more than eight persons appointed by the Lieutenant Governor in Council. At year end, Council consisted of:

Name	Position	Location	Primary Interest
Gordon MacBeath	Chair	Marshfield	Dairy
Allister Veinot	Vice-Chair	Avondale	Sheep & Organics
Jean Clark	Member	Kinkora	Consumer
Derwin Clow	Member	Freetown	Dairy
Guy Cudmore	Member	Winsloe	Potatoes
Michael Carmichael	Member	Albany	Dairy
John Sullivan	Member	Montague	Aquaculture
Layton Wallace	Member	Cascumpic	Potatoes

Membership Changes – In April 2011, the Lieutenant Governor in Council, on the recommendation of the Minister of Agriculture and Forestry, appointed Michael Carmichael, Albany, to fill a position vacated by the resignation of Scott Lewis.

In May 2011, the Lieutenant Governor in Council designated Allister Veinot as Vice-Chair, a position previously held by Mr. Lewis.

Meeting Attendance – Marketing Council has always achieved a very high attendance rate. Calendar 2011 was no exception with an attendance rate of very close to 95%.

Staff – Marketing Council staff consists of Murray Myles, Secretary & General Manager. Mr. Myles provides Council with management services under a Professional Services Contract (40% time) entered into with the Department of Agriculture and Forestry. Mr. Myles also provides the Minister with advice on supply managed commodities.

Mr. Myles has indicated a desire to retire from Marketing Council at the end of March 2012. Negotiations are underway to have a person with previous experience fill the position on a part-time basis.

Additional administrative support services are provided by Agricultural Insurance Corporation staff as required. During the year, Eleanor Palmer, who had been providing administrative support, was approved for extended sick leave. Since that time, Cindy Lewis has provided valued assistance.

Meetings/Focus – Council held five (5) meetings during the year. Council's main focus continued to be monitoring activities of commodity boards and commodity groups to ensure they are in general compliance with the *Act* and their regulations.

Operational Responsibilities

Monitoring and Supervision

One of the most important responsibilities Marketing Council has is monitoring and general supervision of commodity boards, marketing commissions and commodity groups formed under the *Natural Products Marketing Act*.

Monitoring activities include reviewing reports that highlight commodity board minutes, annual reports, audited financial statements and other material received from boards. Council representatives also attend annual and other meetings of commodity boards and commodity groups as required.

Council was responsible for monitoring and supervising the following six commodity boards and two commodity groups during the past year. Although regulations are in place for a Turkey Marketing Commission, the Commission is inactive.

Commodity Boards

Chicken Farmers of Prince Edward Island
Dairy Farmers of Prince Edward Island
Egg Producers of Prince Edward Island
Prince Edward Island Cattle Producers
Prince Edward Island Hog Commodity Marketing Board
Prince Edward Island Potato Board

Commodity Groups

Prince Edward Island Oyster Commodity Group
Prince Edward Island Wild Blueberry Growers Association

Marketing Commissions

Turkey Marketing Commission (inactive)

Monitoring and Supervision Highlights

Following are highlights of Council's activities during calendar 2011.

Activity Reports

The Council Secretary & General Manager reviews and prepares Activity Reports for Council summarizing each document received from a commodity board or group.

Documents reviewed during the past year include minutes, board orders, agreements, audited financial statements, annual reports and material related to federal-provincial agreements discussed at the national meetings.

Particular emphasis is placed on member attendance and participation in discussion at meetings, understanding of, and response to, industry issues, proper preparation and approval of minutes, decisions and board orders, board review of unaudited financial statements at least on a quarterly basis, participation in provincial, regional and national organizations and committees.

Ratification of Board Orders

During the year, Council ratified thirty-two board orders for publication in the Royal Gazette. Board Orders regulate and control various aspects of the production and marketing of a commodity based on powers conferred on a board by the Lieutenant Governor in Council. At the end of 2011, commodity boards created under the *Act* had the following orders in force:

Commodity Board	# Orders
Chicken Farmers of PEI	6
Dairy Farmers of PEI	20
Egg Producers of PEI	12
PEI Cattle Producers	1
PEI Hog Commodity Marketing Board	3
PEI Potato Board	7
Total Number of Active Orders	49

Commodity Board Elections

The Marketing Council Secretary & General Manager acts as Returning Officer for elections held by commodity boards required to hold mail-in-votes.

During 2011, mail-in-votes were conducted to fill the following commodity board vacancies:

Commodity Board	Vacancies
	Filled
Dairy Farmers of PEI	3
Egg Producers of PEI	2
PEI Cattle Producers	2
PEI Potato Board	4
Total Vacancies Filled by Mail-in-Votes	11

Chicken Farmers of PEI and the PEI Hog Commodity Marketing Board conduct elections during the annual or special general meeting.

Appointments to Commodity Boards

Marketing Council has the authority to appoint registered producers to fill vacancies on commodity boards where an elected producer is unwilling or unable to serve.

The power to fill vacancies is normally exercised when only one registered producer expresses an interest in filling a vacancy. Generally, an election will be held when more than one producer expresses an interest in filling a vacancy.

During 2011, Council appointed Sterling Jay to fill a vacancy on the PEI Cattle Producers Board created by the resignation of Glen Jay.

Other Activities

During calendar 2011, Marketing Council also:

1. Created a list of potential mediators and arbitrators to resolve contract disputes between the Potato Board and potato processors.
2. Recommended that the Lieutenant Governor in Council authorize the Prince Edward Island Cattle Producers to enter into a federal-provincial agreement merging three national cattle (beef) organizations and to become a member of the Maritime Beef Council.
3. Participated in a meeting with Farm Products Council of Canada to discuss important regional and national poultry industry issues.
4. Monitored and participated in discussion regarding the sale of cracked eggs and ungraded eggs sold direct to consumers.
5. Participated in meetings with fur breeders regarding their organization.

6. Participated in the National Association of Agri-Food Supervisory Agencies (NAASA), an organization comprised of provincial and federal supervisory organizations and the Canadian Dairy Commission.
7. Monitored trade agreements such as the WTO, NAFTA, AIT and bi-lateral trade discussions Canada is holding with other countries, such as the Comprehensive Economic and Trade Agreement (CETA) with the European Union and the Trans-Pacific Partnership (TPP).
8. Participated in and monitored discussions on Dairy Regulatory Reform.
9. Requested that commodity boards and commodity groups review and amend their internal controls to ensure that producer funds are protected to the extent possible.
10. Requested that a commodity board file a financial plan with Marketing Council to address ongoing deficits.
11. Commented on a draft strategic plan circulated by Farm Products Council of Canada.
12. Reviewed and ratified changes to Part II of the Agreement on the Eastern Canadian Milk Pooling, which allows milk producers in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island to share market revenues and market adjustments (quotas).
13. Participated in a Steering Committee created to monitor development of a Strategic Study for the Prince Edward Island dairy industry.
14. Participated in a committee created to negotiate a national all milk pool (ten provinces) which would allow all milk producers in Canada to share market revenues and market adjustments.
15. Assessed the risks of allowing producers to self-nominate for election to commodity boards.

PRINCE EDWARD ISLAND NATURAL PRODUCTS APPEALS TRIBUNAL

Statutory Responsibility

The Natural Products Appeals Tribunal is a statutory body established pursuant to section 18 of the *Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3*.

The Tribunal is responsible for hearing appeals of orders, directions or decisions made by commodity boards and marketing commissions and of orders, directions or regulations made by Marketing Council.

Composition and Staff

At December 31, 2011, the Natural Products Appeals Tribunal consisted of the following members and staff:

Bill MacFadyen, Chair
Nelson MacKinnon, Member
Brian Morrison, Member

Jerry Gavin, Secretary

Appeal Activity

For the year ending December 31, 2011, there were no appeals before the Natural Products Appeals Tribunal.



Dairy Farmers of Prince Edward Island

Mandate/Powers – The powers of Dairy Farmers of Prince Edward Island are found in section 2(3) of Dairy Farmers of Prince Edward Island Regulations. This section vests in the Board the powers necessary for it to effectively promote, control and regulate the marketing of milk within the province, including the power to prohibit any aspect of the marketing of milk. The Board has also been delegated federal powers to regulate the marketing of milk in interprovincial and export trade under the *Agricultural Products Marketing Act* (Canada).

Dairy Farmers of Prince Edward Island is participating, with its partners, in the Agreement on Eastern Canadian Milk Pooling (P5) to jointly administer producer quota policies. A committee of the P5 provinces (PEI, ON, QC, NB & NS), makes recommendations on producer quota issues to the provincial boards, which retain the power to implement the policies.

Board of Directors and Staff – at 31 December 2011 consisted of the following:

District Directors

West Prince: Harold MacNevin, Chair; Ronnie MacWilliams

Summerside: Ronald Maynard, Secretary; Ranald MacFarlane

Charlottetown: Jeff Weeks, Vice-Chair; John Bysterveldt, Treasurer; Exton MacPherson

Montague-Souris: Kent MacDonald; Theo Kouwenberg

Management Staff: Douglas Thompson, General Manager

Industry Statistics – At 31 December 2011, there were 11,202.95 daily kilograms of butterfat quota issued to 198 active producers, representing a decrease of 12 producers or 5.71% compared to the same date a year earlier.

During the 2011 fiscal year (ended 30 November 2011), PEI dairy farms produced 100.733 million litres of milk generating farm gate receipts, net of transportation costs and levies, of \$78.03 million, an increase of approximately \$3.11 million dollars or 4.15% compared to the same period one year earlier.

Activities – During the year, the Board:

- ⇒ administered producer quotas, including quota exchanges;
- ⇒ administered policies to address a solids-not-fat ratio issue;
- ⇒ performed milk component test conversions for producers;
- ⇒ responded to interprovincial milk movement obligations;
- ⇒ established producer milk prices and minimum wholesale and home delivery fluid milk product prices;
- ⇒ administered the Canadian Quality Milk on farm food safety program;
- ⇒ participated in a milk testing project;
- ⇒ established bulk milk transportation rates; and
- ⇒ participated on numerous provincial, regional and national committees.

Mandate/Powers – Section 39 of the Egg Commodity Marketing Regulations confers on the Board the powers to promote, control and regulate the marketing of eggs within the province, including the power to prohibit any aspect of the marketing of eggs. The only powers in the Act not conferred on the Board are those found in subsections 4(3) (r), (s) & (t). The Board has also been delegated federal powers to regulate the marketing of eggs in interprovincial and export trade under the *Agricultural Products Marketing Act (Canada)*.

Board of Directors: At December 31, 2011, the Board of Directors consisted of John Dennis, Chair; Peter Stavert, Vice-Chair; Ian Simmons, Secretary; Leith Murray, EFC Director and Nathan Burns. The Board of Directors for 2011 remains the same.

Management Staff: Michael Cummiskey is the Board's General Manager, Darcee Birch is Office Administrator and Debbie McCrady is Promotion Coordinator.

Industry Statistics – Eight (8) producers were registered with the Board at year end. Quota issued or available to registered producers was for 131,879 layers. Farm Gate Receipts from registered producers during 2011 is estimated to be \$6.59 million compared to \$5.75 million during 2010, an increase of 14.6%. Since no quota was offered for sale on the monthly quota exchange, there was no quota traded during the year.

Of the 3.6 million dozen eggs marketed during 2011, 45.0% were consumed provincially as table eggs and the remaining 55.0% were exported to Quebec and Ontario for processing. During the year, grading stations imported 85,965 dozen eggs to supply the table market, a decrease of 34,335 dozen or 28.5%.

Producers use a HACCP based, Start Clean-Stay Clean, food safety program. Scores achieved by producers during an independent inspection is used to determine the compensation producers will receive for eligible losses where a flock must be destroyed due to a human health risk associated with salmonella enteritidis (Se). Registered egg producers have their egg laying environments tested for Se prior to the end of the lay cycle.

The Egg Producers of Prince Edward Island continue to purchase administrative support services from the Dairy Farmers of Prince Edward Island Board.

Activities – The Board was involved in the following activities during the year:

- held seven face to face board meetings in order to discuss and make recommendations on national, provincial, and producer issues;
- participated in the Egg Farmers of Canada (EFC) meetings and its committees;
- established producer, spot and wholesale egg prices;
- allocated and administered producer quotas, including a quota exchange;
- collected and made levy payments to EFC on behalf of registered egg producers;
- purchased and sold surplus egg from registered egg grading stations;
- contributed to the development of a poultry insurance program for Se, which will provide coverage from breeder flocks to spent hens;
- facilitated and compensated the movement of Nest Run eggs between the two egg grading stations when eggs were required for table market, and
- participated in various promotion activities and attended various venues throughout the year in order to increase consumer awareness and benefits of egg consumption.



Mandate – The Prince Edward Island Cattle Producers received its powers in January 2007 under the Cattle Marketing Board Regulations. Prior to that date, cattle producers were represented by the Prince Edward Cattlemen's Association Inc., which was originally designated a commodity group under Part III the *Act* on August 18, 1982.

At December 31, 2011, directors and staff of the Board consisted of:

Board of Directors :

Peter Verleun, Chair	David McCloskey
Ivan Johnson, Vice-Chair	Jeremy Stead
Brian Morrison, Secretary-Treasurer	Sterling Jay

Dairy Farmers of P.E.I. Representative: Ronnie MacWilliams (Ex-Officio)

Staff: Rinnie Bradley, Executive Director

Amanda Tweedy, Atlantic Verified Beef Program Coordinator

Levy Collected/Refunded – The Board collects a mandatory, non-refundable, levy of \$4.00 per head on animals at the time of slaughter. During 2011, \$62,482.15 in levies were collected from producers.

Activities – The Board participated in the following broad range of activities during 2011:

- ⇒ Continued to lobby the provincial and federal governments for alternative repayment terms for the 2008 Severe Economic Hardship Advance Payments loans that will come due on March 31, 2012. These loans were deferred in 2009 due to the fact the industry hadn't made a substantial recovery. The Federal government offered another deferral for six months, with full repayment due within eighteen months, making these loans due in full by March 31, 2012.
- ⇒ Conducted a review of the strategic plan of the PEI Cattle Producers.
- ⇒ Lobbied for the extension of the Beef Industry Initiative to deliver a continuation of the Enhanced Herd Health Program, Genetic Heifer Replacement, Handling Facilities and the addition of an Elite Cow component.
- ⇒ Continued to deliver the Verified Beef Production program in PEI and Atlantic Canada under the direction of Atlantic VBP Coordinator, Amanda Tweedy.
- ⇒ Worked with Dairy Farmers of PEI and the Department of Agriculture in the continuation of the deadstock removal program in PEI.
- ⇒ Participated in the promotion of Island beef by sponsoring 'Savour the Flavours', various 4-H projects, 'Farm Day in the City', and 'Open Farm Day', to name a few.

- ⇒ Promoted the local processing/retail industry through full page ads in the Island Family Magazine, which included their locations and phone numbers.
- ⇒ Launched a new promotional campaign to raise awareness of Island beef called PEI Burger Love. Fourteen participating restaurants featured their own Island beef burger creations. Two winners were crowned 'PEI's Most Loved Burger!'
- ⇒ Supported ongoing programs such as the Nappan Bull Test Station and Age Verification.
- ⇒ Our industry was also well represented on various boards such as the Maritime Beef Council, PEI Federation of Agriculture, Nappan Bull Test Station, CCA Animal Health, CCA Executive, and Canada Beef, and at numerous other meetings throughout the year.
- ⇒ The Board shared the concerns of the industry with the Provincial Minister of Agriculture, the NFU, and to the PEIFA.
- ⇒ The Board worked very closely with the NS Cattle Producers Board and the NB Cattle Producers Board dealing with issues such as on-farm food safety, traceability and National Check-off.
- ⇒ In 2011, the Maritime Beef Council was formalised and under the Council two committees were formed, including a Research Committee and a Programs and Policy Committee.
- ⇒ The Board has representation from the Maritime region on the Canadian Cattle Identification Agency.
- ⇒ Spring and Fall District meetings were held with producers to discuss the Cash Advance Program and other topics of significance.
- ⇒ Information was provided to members through our website, www.peicattleproducers.com, and through regular email correspondence.
- ⇒ Wrote letters of support to various organizations regarding various research projects.
- ⇒ Wrote letters of concern to various Government officials, and to the Chairman of the CCA, regarding various topics, including Advance Payments, continued program funding, and the development of a salvage market for wheat covered by Crop Insurance but destined to be destroyed.
- ⇒ Submitted regular articles to the Atlantic Beef Magazine, and a weekly message on an LED display at the Atlantic Stockyards.
- ⇒ Posted information on the website including events and weekly price at ABP.
- ⇒ Maintained a database of members and sent out periodic issues of the Beef Newsletter and other pertinent information.



PEI Hog Commodity Marketing Board

Mandate/Powers – The mandate and powers of the Hog Commodity Marketing Board are found in the Hog Commodity Marketing Regulations. Section 40 of the Regulations vests in the Board the powers necessary to enable the Board to promote, control and regulate the marketing of hogs within the province, including the power to prohibit any aspect of the marketing of hogs. The Board has also been conferred federal power to regulate the marketing of Prince Edward Island hogs in interprovincial and export trade under the *Agricultural Products Marketing Act* (Canada).

At December 31, 2011, the board and staff consisted of the following:

Board of Directors

Paul Larsen, Chair

Scott Drake, Director

Scott Dingwell, Vice-Chair

Ian Shaw, Director

Dale Murray, Secretary

David MacKenzie, Director

Executive Director – Tim Seeber

Industry Statistics - The Board reported that 27 hog producers marketed 80,269 finished hogs during 2011 with a farm gate receipt value of approximately \$13.3 million. This is a decrease in numbers of 10% from 2010 and the forecast for 2012 is for over 86,000 finished hogs to be marketed. Including breeding stock, isowean, weaner, and feeder pigs sales, the 2011 figure was a little over 96,000 head. Included in the market hog numbers are 1,800 organic hogs that were commercially marketed.

During 2011 two major producers transitioned from shipping market hogs to isoweans. With the high cost of feed continuing to prevail in the marketplace, land based producers have been in a better position than those who need to buy their grain requirements. Some of this environment has forced producers in many localities to focus on the breeding and farrowing part of the business and then marketing the piglets into regions better positioned to financially capitalize on locally grown grain. Transportation costs to import grain from Upper Canada into PEI runs about \$60/tonne, which works out to \$20/hog.

Market pricing futures appear to indicate 2012 will be as strong as 2011 with world demand continuing to pull high volumes of pork out of North America. The trade agreement signed between the United States and Korea will give the USA an advantage over Canada in this valuable higher priced market as Canada stopped negotiating with Korea in 2008 and as yet has not returned to the table. Currently, about 10% of Canadian chilled pork is exported to South Korea.

Activities – Pending repayment of the 2008 Severe Economic Hardship loans under the Federal Advance Payment Program is causing a lot of concern in the hog industry nationwide as conditions that prevailed at the time of the loans have not corrected significantly for any length of time to generate the type of liquidity necessary for this venture.

The Hog Farm Transition Program wrapped up its final auction in early 2010 and throughout the program 10 PEI producers submitted successful bids allowing them the opportunity to exit the industry if they so chose. The final impact of transitioning locally will see a loss of approximately 200-250 hogs per week from early 2010 PEI market numbers, the last reduction occurring by late spring this year.

This continued uncertainty of both the hog production and the processing sectors as previously alluded to has meant that work on a Maritime Red Meat Strategy, and on a potential slaughter/processing/branding initiative for the region have been put on hold for the foreseeable future.



Prince Edward Island Potato Board

Mandate – General and specific authority for the Potato Board to regulate and control the production and marketing of potatoes in Prince Edward Island is found at section 45 of the Potato Marketing Plan Regulations.

Board of Directors and Staff – at December 31, 2011 consisted of the following:

District Directors

West Prince

Harris Callaghan
Daryl Wilkie
Kirk Shea

Summerside

Gary Linkletter, Chairman
Barry Green
Fulton Hamill

Charlottetown

Wayne Diamond, Secretary-Treasurer
Donald Godfrey
Irwin Jay

Montague/Souris

Boyd Rose, Vice Chairman
Owen Ching
Colin MacAulay

Management Staff: Greg Donald, General Manager.

Industry Statistics – Approximately 360 farmers grow potatoes on Prince Edward Island. Farm Cash Receipts during 2010 were estimated to be \$195.3 million, a decrease of \$20.5 million or 9.5% compared to 2009. According to Statistics Canada, Island potato farmers harvested 23.9 million hundredweight of potatoes from 85,500 acres harvested in 2011 (planted acreage was 86,000), compared to 25.5 million hundredweight of potatoes from 85,000 acres harvested in 2010. In most areas of PEI, the 2011 potato crop had a smaller size profile and lower than average yield per acre. Quality of the 2011 crop was very good and cullage rates are expected to be lower than the last few years.

Activities – The Board undertook and/or completed several initiatives in 2011/12:

- ⇒ The implementation of a revised system for the negotiation of processing potato contracts occurred in 2009. The new system included provisions for mediation and arbitration to achieve timely contract settlement as growers strongly support having contracts settled before planting their processing acreage. In 2011, the mediation process facilitated by a mediator recommended by Marketing Council was again utilized for negotiations with the Island's two main french fry processors. The mediation process resulted in contract settlements with both of these processors. All contracts were settled before planting;
- ⇒ Continued participation in United Potato Growers of Canada and the Potato Marketing Association of North America to help improve grower returns via development and sharing of the best possible information on potato supply and demand;

- ⇒ The Potato Board is continuing to make improvements in our market information provided to the PEI potato industry. With the Board staff, we are now the first potato region in Canada to be reporting a Fresh Weighted Average (FWA) and Grower Return Index (GRI) for the PEI industry to benchmark and compare returns for our crops for years to come. United Potato Growers of Canada is working to improve data collection across the country so that these measures can be emulated by other provinces;
- ⇒ Potatoes Canada, a partnership between the PEI Potato Board, PEI Department of Agriculture, Potatoes New Brunswick, New Brunswick Agriculture, and Agriculture & Agri-Food Canada, received a funding commitment for three years to pursue opportunities for PEI and New Brunswick seed, tablestock and fresh-for-processing potatoes in export markets. Potatoes Canada have conducted and participated in a number of trade missions and trade shows. They have also established some variety promotional trials in some targeted countries;
- ⇒ We are continuing with our marketing efforts to re-invigorate the PEI potato brand such as the new version of the "PACK YOUR APPETITE" retail promotion in partnership with the PEI Culinary Alliance that was recently advertised nationally on the Food Network. We also have some new initiatives such as the endorsement of PEI potatoes by Olympian Heather Moyse via her sponsorship. We also just completed a significant market research project to gain greater insights about our brand and help us with our marketing strategy going forward. We received funding assistance from the Adapt program for this project;
- ⇒ The Board also worked again with provincial Crop Insurance officials to identify possible improvements to the potato crop insurance program. This cooperative approach has been a positive development for our industry;
- ⇒ The Board worked again with industry members, and federal and provincial officials on a number of research projects pertaining to seed quality. Post harvest test results for the 2011 crop were favorable, therefore no changes to the legislated virus cap of 3% were required;
- ⇒ A newly activated Environment/Research Committee is one of the new initiatives of the Board in 2011. The Board has been actively involved in a wireworm research project and more recently in environmental efforts with the provincial departments of environment and agriculture such as organizing sessions with growers to identify buffer zones around fields.
- ⇒ The Board continued to work with Agriculture & Agri-Food Canada, the PEI Department of Agriculture and other agricultural groups such as the PEI Federation of Agriculture and the Canadian Horticultural Council on issues of importance to the industry.

Chicken Farmers of Prince Edward Island

Mandate – The powers of the Board to regulate and control the marketing of poultry in Prince Edward Island are found at section 38 of the Poultry Meat Commodity Marketing Regulations. The Board has also been delegated federal powers under the *Agricultural Products Marketing Act* (Canada) to regulate the marketing of Prince Edward Island chicken in interprovincial and export trade.

At December 31, 2011, the Board of Directors and staff was comprised of the following:

Board of Directors:

Leonard Carver, Chair	Andre Merks, Director
Dean Good, Vice-Chair	Barry Uyterlinde, Chicken Farmers of Canada Rep.
Katherine MacPhail, Secretary	

Staff:

General Manager – Janet Hilliard-Murphy

Industry Statistics - In 2011, eight farmers marketed in excess of 5.057 million kilograms of chicken meat, compared to 5.009 million kilograms in 2010. Poultry producers Farm Gate Receipts during calendar 2011 was approximately \$8.0 million, compared to \$7.40 million marketed in 2010.

Activities

The Board reported on the following initiatives and activities during the year:

- ⇒ Allocation of Quota to Producers;
- ⇒ Provincial Promotion Program financially supporting local students in the development of the new Board logo.
- ⇒ Participation on provincial, national and regional committees, including Chicken Farmers of Canada.
- ⇒ Chicken farms on PEI continue to maintain their 100% certification status for the On-Farm Food Safety Program.
- ⇒ The number of chicken producers has grown from seven to eight.



Prince Edward Island Oyster Commodity Group

Mandate - On May 8, 2002, the Minister of Agriculture, Fisheries, Aquaculture and Forestry designated the Prince Edward Island Oyster Commodity Group as a commodity group under Part III of the *Act*.

The Oyster Commodity Group was formed primarily to collect funds from licensed fishers who harvest oysters from the public fishery. The funds collected are partnered with Provincial Government funds to develop and enhance the public fishery.

Board of Directors & Staff – at December 31, 2011 was comprised of:

Directors

Rory McLellan, Chair	Daniel MacKinnon
Loman MacLean	Jim Cormier
Jimmy A'Hearn	Clifford Bernard
Chris Lewis	Chad Gallant
Murray Perry	

Management Staff – Susan Milligan, administrative support.

Levies Collected – An annual levy of \$50 is collected from each licensed oyster fisher who delivers oysters to a buyer. During 2011, gross fees valued at \$11,100 were collected from 222 fishers by oyster buyers.

Pursuant to the *Natural Products Marketing Act*, fishers who do not wish to pay the levy may serve notice on the Group that the levy not be deducted. Fishers may also apply to the Group for a refund if the levy has been deducted.

Of the 222 fees collected, 5 oyster fishers requested a return of fees and 5 fees were returned because they were deducted by more than one buyer. Net funds available to the Group for enhancement activities was \$8,000.

Activities – The following enhancement and other activities took place during 2011:

- Spat Project, in the Bideford area;
- Invasive Species Project;
- Sea Lettuce Project, to determine its value for compost;
- Marketing/pricing of oysters;
- Collection of fees from buyers; and
- Oyster & Quahog brood stock projects.



Prince Edward Island Wild Blueberry Growers Association

Mandate – The Prince Edward Island Wild Blueberry Growers Association was designated a commodity group under Part III of the *Act* on August 10, 2001.

Board of Directors – On December 31, 2011, the Board consisted of:

Edwin McKie, President	Richard Farmer
Neil Hardy	Dave MacNearney
Paul Gallant (Secretary)	Kenneth Lewis
Terence MacDonald (Treasurer)	Graham MacLean
Claude McCardle	

Levies – An annual levy of \$0.008 per pound is collected from wild blueberry growers by processors. During 2011, approximately \$83,200 in levies were remitted to the Board.

Similar to other commodity groups, under the *Act* the Association is required to refund levies collected from producers that object to the collection of levies. Only a very small number of producers request refund of levies collected.

Statistics – PEI produced 10.4 million lbs of wild blueberries in 2011. This is up slightly compared to the 2009 crop of 10.3 million lbs. The 2011 crop was significantly lower than the 2010 crop of 12.4 million lbs. The five-year average is now 10.2 million lbs. Several factors impacted total yield. Many growers reduced crop inputs in 2010 sprout year due to depressed market prices. This resulted in significant weed pressure and leaf spot diseases. Pollination weather in June was cool and damp. Low lying areas also experienced a frost event. In addition, the north shore of PEI was hit with heavy sea salt spray during a significant wind storm in November 2010. This resulted in heavy fruit bud loss.

Industry Challenges – Prices rebounded somewhat compared to the last couple years. Growers continue to manage weed species such as Hawkweed and Sheep Sorrel. Black Vine Weevil is suspected to be causing localized damage in western PEI blueberry fields.

Principal Activities – The Association represents Island blueberry industry stakeholders on provincial issues, and has representation on the Wild Blueberry Association of North America (WBANA).

The Board was also involved in a broad range of education, promotion, research and industry advocacy activities. The Association holds producer information sessions, demonstrations and tours in cooperation with Chris Jordan, Berry Crop Development Officer, Agriculture & Agri-Food Development Section, PEI Department of Agriculture & Forestry.